

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
KIRKSVILLE WATER ASSOCIATION, INC.) CASE NO. 92-261

O R D E R

On June 24, 1992, Kirksville Water Association, Inc. ("Kirksville") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Kirksville purchases water from the city of Richmond ("Richmond").

2. Effective July 1, 1992, Richmond will increase its rate to Kirksville from \$1.30 to \$1.50 per 100 cubic feet. Based on an average monthly usage of 5,000 gallons, the average monthly bill to Kirksville's customers will increase by \$1.55 from \$26.45 to \$28.00, which is an increase of 5.5 percent.

3. Kirksville proposed to increase the rates to its customers effective July 1, 1992.

4. During the 12 months ending April 30, 1992, Kirksville purchased 64,849,356 gallons of water and sold 56,265,532 gallons.

5. Kirksville's calculations are incorrect due to a mathematical error in determining the cost of water for February 1992 at the changed rate. Further Kirksville divided the total increase in purchased water costs by the gallons sold in determining the purchased water adjustment amount.

6. The correct increase in purchased water costs is \$17,339, resulting in a purchased water adjustment of 31 cents per 1,000 gallons.

7. The purchased water adjustment of 31 cents per 1,000 gallons as shown in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Kirksville's proposed rates and tariff are denied.

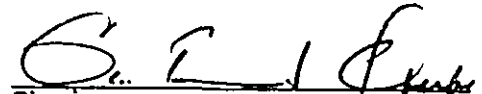
2. The purchased water adjustment of 31 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after July 1, 1992.

3. Within 30 days of the date of this Order, Kirksville shall file its revised tariff setting out the rates approved herein.

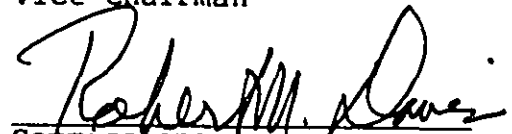
4. Within 20 days of the date of this Order, Kirksville shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 6th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-261 DATED July 6, 1992

The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$11.50 Minimum Bill
Next 3,000 gallons	5.50 per 1,000 gallons
Next 5,000 gallons	4.45 per 1,000 gallons
Over 10,000 gallons	3.45 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-261 DATED July 6, 1992

Purchases: 64,849,356 gallons (8,669,700 cubic feet)
Sales: 56,265,532 gallons (7,522,129.95 cubic feet)

Cost at Changed Rate:

8,669,700 cubic feet x \$1.50 per 100 cubic feet = \$130,045.50

LESS

Cost at Base Rate:

8,669,700 cubic feet x \$1.30 per 100 cubic feet = \$112,706.10

Increase \$17,339.40

\$17,339.40 + 56,265.532 m. gallons = \$.3082 or 31 cents per 1,000
gallons